



Passive Income: Get Over \$430 in Dividend Income Every Month

Description

There is a ton of passive-income opportunities available to Canadian investors. Unfortunately, creating a passive-income stream can be challenging. Whether you want to invest in real estate to earn rental income as a landlord or make a living through social media platforms, many passive-income streams require plenty of hard work.

[Dividend investing](#) is an excellent investment strategy if you want to use your investment capital to create a truly passive-income portfolio. If you practice patience and discipline, you can generate substantial passive income by letting your money work for you.

Dividend investing is a no-nonsense passive-income strategy, but it takes time to build your portfolio and get it to the point where you can earn a substantial amount of money.

Today, I will discuss a hypothetical scenario for how dividend investing can help you earn a decent monthly income. I will discuss two dividend stocks that pay monthly shareholder dividends and how much you could earn by investing a hypothetical amount in the two dividend-paying equity securities.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is a \$26.63 billion market capitalization pipeline company headquartered in Calgary. The company owns and operates an extensive pipeline network transporting oil and natural gas to and from different parts of Canada.

The company also operates a natural gas processing business that adds another revenue stream to its operations. The company has an aggressive track record of doing deals to expand its portfolio, and it could be on track to continue the trend, as the U.S. and Canadian energy infrastructure consolidates.

As of this writing, Pembina Pipeline stock trades for \$47.98 per share and boasts a 5.25% dividend yield. The company provides its investors with shareholder dividends each month. Investing \$50,000 in Pembina Pipeline stock could provide you with \$2,625 per year through shareholder dividends, translating to \$218.75 in monthly passive income.

TransAlta Renewables

TransAlta Renewables ([TSX:RNW](#)) is a \$4.78 billion market capitalization renewable energy giant headquartered in Calgary. The company owns and operates an extensive portfolio of diversified renewable energy assets, including wind, solar, hydroelectric, and gas-powered electricity-generation facilities. Its portfolio is spread across Canada, the U.S., and Australia.

The growing global demand for renewable energy could mean substantial long-term success for the company, as it looks virtually future-proof in the growing renewable energy sector.

As of this writing, TransAlta Renewables stock trades for \$17.92 per share, and it boasts a 5.25% dividend yield. It also distributes shareholder dividends each month. Buying \$50,000 worth of TransAlta Renewables stock can provide you with \$2,625 in passive income each year. It translates to \$218.75 per month in shareholder dividends alone.

Foolish takeaway

Remember, it is only a hypothetical scenario. Ideally, you should never allocate so much of your money to just two income-generating assets. Diversifying your investment capital across several income-generating assets that average a good dividend yield will be a better way to go.

Shareholder dividends are not a right; they are a privilege. Investing in several dividend stocks can help you mitigate losses in your passive-income stream if a few dividend stocks decide to suspend or slash payouts.

Pembina Pipeline stock and TransAlta Renewables stock could be excellent stock picks to begin building such a dividend income portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:PPL (Pembina Pipeline Corporation)
3. TSX:RNW (TransAlta Renewables)

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